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**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

Independent Auditors' Report and  
Financial Statement

For The Year Ended June 30, 2012

**UNIFIED SCHOOL DISTRICT NO. 492  
ROSALIA, KANSAS**

**FOR THE YEAR ENDED JUNE 30, 2012**

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ROSALIA, KANSAS**

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C H A R T E R E D

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT**

Board of Education  
Unified School District No. 492  
Rosalia, Kansas 67132

We have audited the summary statement of cash receipts, expenditures and unencumbered cash balances of Unified School District No. 492, Rosalia, Kansas, as of and for the year ended June 30, 2012. This financial statement is the responsibility of the Unified School District No. 492's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Kansas Municipal Audit Guide*; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Unified School District No. 492 has prepared the financial statement using accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 492, as of June 30, 2012, or the changes in its financial position for the year then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Unified School District No. 492, Rosalia, Kansas, as of June 30, 2012, and the aggregate cash receipts and expenditures for the year then ended, on the basis of accounting described in Note 1.



In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2012, on our consideration of Unified School District No. 492's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the June 30, 2012 financial statement as a whole. The summary of expenditures-actual and budget, individual fund schedules of cash receipts and expenditures-actual and budget, individual fund schedules of cash receipts and expenditures-actual, schedule of cash receipts and cash disbursements-agency funds, schedule of cash receipts, expenditures and unencumbered cash (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the June 30, 2012 financial statement. Such information is the responsibility of management and the June 30, 2012 supplementary information was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2012 financial statement. The June 30, 2012 information has been subjected to the auditing procedures applied in the audit of the June 30, 2012 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the June 30, 2012 financial statement or to the June 30, 2012 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the June 30, 2012 financial statement as a whole.

The June 30, 2011 Actual column presented in the individual fund schedules of cash receipts and expenditures-actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the June 30, 2011 financial statement upon which we rendered an unqualified opinion dated February 7, 2012. The June 30, 2011 financial statement and our accompanying report are not presented herein, but are available from the Unified School District No. 492 administration office located at 806 S.E. Rosalia Road, Rosalia, Kansas 67132 or by calling 620-476-2215. Such June 30, 2011 comparative information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the June 30, 2011 financial statements. The June 30, 2011 comparative information was subjected to the auditing procedures applied in the audit of the June 30, 2011 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the June 30, 2011 financial statement or to the June 30, 2011 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the June 30, 2011 comparative information is fairly stated in all material respects in relation to the June 30, 2011 financial statement as a whole.

*Bird + Company, Chartered*

El Dorado, Kansas  
December 6, 2012

**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**

**FOR THE YEAR ENDED JUNE 30, 2012**

Fund	Beginning Unencumbered Cash Balance, As Restated	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<b>Governmental Type Funds:</b>							
<b>General Funds:</b>							
General	\$ 2	\$ 3	\$2,293,361	\$2,293,362	\$ 4	\$ 144,854	\$ 144,858
Supplemental general	42,673	2,810	776,627	769,921	52,189	228,148	280,337
<b>Special Revenue Funds:</b>							
At risk (K-12)	57,624	125	132,000	134,735	55,014	17,905	72,919
Capital outlay	728,546	-	85,021	85,990	727,577	58,680	786,257
Driver training	4,872	-	3,066	3,299	4,639	3,299	7,938
Food service	49,782	-	151,909	151,061	50,630	2,610	53,240
Professional development	37,191	-	10,000	9,128	38,063	50	38,113
Summer school	-	-	-	-	-	-	-
Special education	68,838	-	412,754	412,770	68,822	3,372	72,194
Vocational education	40,784	-	39,000	38,993	40,791	-	40,791
KPERS special retirement cont.	-	-	158,934	158,934	-	-	-
Contingency reserve	240,415	-	-	-	240,415	-	240,415
Grants and donations	7,556	-	231	175	7,612	-	7,612
Textbook & student material rev.	16,951	894	15,853	5,881	27,817	53	27,870
Federal Title programs	-	-	33,258	33,258	-	7,253	7,253
Title VI, REAP	-	-	27,840	27,840	-	-	-
District activity funds	6,007	-	29,838	30,333	5,512	-	5,512
<b>Debt Service Funds:</b>							
Bond and interest	520,747	-	274,539	306,920	488,366	-	488,366
<b>Fiduciary Type Funds:</b>							
Expendable trusts	13,942	-	89	800	13,231	-	13,231
<b>Total Reporting Entity (Excluding Agency Funds)</b>	<b>\$ 1,835,930</b>	<b>\$ 3,832</b>	<b>\$4,444,320</b>	<b>\$4,463,400</b>	<b>\$ 1,820,682</b>	<b>\$ 466,224</b>	<b>\$ 2,286,906</b>

**Composition of Cash:**

Checking and savings accounts - Emprise Bank	\$ 2,267,157
District activity accounts - Emprise Bank	20,519
Endowment accounts - Bank of America	5,484
Endowment accounts - Emprise Bank	7,747
Petty cash account - Emprise Bank	1,006
<b>Total Cash</b>	<b>2,301,913</b>
Agency Funds per Schedule 3	(15,007)
<b>Total Reporting Entity (Excluding Agency Funds)</b>	<b>\$ 2,286,906</b>

The notes to the financial statement are an integral part of this statement.

**UNIFIED SCHOOL DISTRICT NO. 492  
ROSALIA, KANSAS**

**NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

Unified School District No. 492, Rosalia, Kansas, is a municipal corporation governed by an elected seven-member board. These financial statements present USD No. 492 (the primary government). There are no component units as defined in Governmental Accounting Standards Boards Statement 14 which are included in the District's reporting entity.

**Reimbursements**

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

**Basis of Presentation - Fund Accounting**

The accounts of the District are organized on the basis of funds each of which is considered to be a separate accounting entity. The operations of each fund are accounted for separately. Funds are classified into two categories: Governmental and Fiduciary. Within each of these two categories there are one or more fund types.

The following types of funds comprise the financial activities of the District:

**Governmental Type Funds**

*General Funds* - to account for all unrestricted resources except those required to be accounted for in another fund.

*Special Revenue Funds* - to account for all proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expend for specified purposes.

*Debt Service Funds* - to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

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**NOTES TO THE FINANCIAL STATEMENT**

**FOR THE YEAR ENDED JUNE 30, 2012**

*Fiduciary Type Funds*

*Trust and Agency Funds* - to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include Expendable Trust Funds and Student Organization Funds.

**Basis of Accounting**

*Statutory Basis of Accounting.* The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the statutory basis of accounting.

*Departure from Accounting Principles Generally Accepted in the United States of America.* The basis of accounting described above results in a financial statement presentation, which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED JUNE 30, 2012**

**Budgetary Information**

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1<sup>st</sup>.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were two such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**NOTES TO THE FINANCIAL STATEMENT**

**FOR THE YEAR ENDED JUNE 30, 2012**

A legal operating budget is not required for capital project funds, fiduciary funds, permanent funds, and the following special revenue funds:

Title & Federal Programs	Grants and Donations Fund
District Activity Funds	Contingency Reserve Fund
Textbook & Student Material Revolving Fund	

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Compliance with Kansas Statutes**

K.S.A. 72-6426 was not complied with during the fiscal year ended June 30, 2012. The Contingency Reserve Fund unencumbered cash balance of \$240,415 exceeded the statutory limit allowed. The allowable balance in the fund is limited to 10% of the general fund budget.

**NOTE 3: DEPOSITS AND INVESTMENTS**

As of June 30, 2012, Unified School District No. 492 did not have any investments.

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.



**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**NOTES TO THE FINANCIAL STATEMENT**

**FOR THE YEAR ENDED JUNE 30, 2012**

*Concentration of credit risk.* State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2012.

At June 30, 2012, the District's carrying amount of deposits was \$2,301,913 and the bank balance was \$2,213,002. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$255,484 was covered by federal depository insurance and the balance of \$1,957,518 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

**NOTE 4: DEFINED BENEFIT PENSION PLAN**

*Plan Description.* Unified School District No. 492 participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S-Kansas, Suite 100, Topeka, Kansas 66603-3869) or by calling 1-888-275-5737.

**UNIFIED SCHOOL DISTRICT NO. 492  
ROSALIA, KANSAS**

**NOTES TO THE FINANCIAL STATEMENT**

**FOR THE YEAR ENDED JUNE 30, 2012**

*Funding Policy.* K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary for Tier 1 members and 6% of covered salary for Tier 2 members. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 9.77% of covered payroll. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2012, 2011, and 2010 were \$298,635,383, \$253,834,044, and \$248,468,186, respectively, equal to the required contributions for each year as set forth by the legislature. The amounts attributable to the District for the years ending June 30, 2012, 2011, and 2010 were \$158,934, \$98,302, and \$128,862.

**NOTE 5: TERMINATION BENEFITS**

The District provides an early retirement program for certain eligible employees. Personnel of the District may elect to take early retirement from Unified School District No. 492 if they meet certain terms and conditions as set forth in the negotiated agreement between the District and the Flinthills NEA. Any teacher who has been employed by the District for ten or more years and has reached the 1996 KPERS requirements of 85 points for early retirement is eligible for a \$2,000 annual benefit upon retirement. The benefit will be paid up to the age of 65. Payments to retired employees under this plan were \$6,000 for the year ended June 30, 2012.

**NOTE 6: LONG-TERM DEBT**

Changes in long-term liabilities for the District for the year ended June 30, 2012, were as follows:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/Payments</u>	<u>Net Change</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation Bonds:										
Series 2009	2.5 to 4.00%	May 1, 2009	\$2,925,000	09/01/2021	<u>\$2,875,000</u>	<u>\$ -</u>	<u>\$ 210,000</u>		<u>\$2,665,000</u>	<u>\$96,920</u>
Total contractual Indebtedness					<u>2,875,000</u>	<u>-</u>	<u>210,000</u>		<u>2,665,000</u>	<u>96,920</u>
Total Long-Term Debt					<u>\$2,875,000</u>	<u>\$ -</u>	<u>\$ 210,000</u>	<u>\$ -</u>	<u>\$2,665,000</u>	<u>\$96,920</u>



**UNIFIED SCHOOL DISTRICT NO. 492  
ROSALIA, KANSAS**

**NOTES TO THE FINANCIAL STATEMENT**

**FOR THE YEAR ENDED JUNE 30, 2012**

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018-2022</u>	<u>Total</u>
Principal:							
General							
Obligation Bonds	<u>\$220,000</u>	<u>\$230,000</u>	<u>\$235,000</u>	<u>\$245,000</u>	<u>\$260,000</u>	<u>\$1,475,000</u>	<u>\$2,665,000</u>
Total Principal	220,000	230,000	235,000	245,000	260,000	1,475,000	2,665,000
Interest:							
General							
Obligation Bonds	<u>91,545</u>	<u>85,632</u>	<u>78,945</u>	<u>71,745</u>	<u>62,870</u>	<u>147,845</u>	<u>538,582</u>
Total Interest	91,545	85,632	78,945	71,745	62,870	147,845	538,582
Total Principal and Interest	<u>\$311,545</u>	<u>\$315,632</u>	<u>\$313,945</u>	<u>\$316,745</u>	<u>\$322,870</u>	<u>\$1,622,845</u>	<u>\$3,203,582</u>

**NOTE 7: INTERFUND TRANSACTIONS**

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Authority</u>	<u>Amount</u>
General	At Risk (K-12)	K.S.A. 72-6428	\$ 12,000
General	Special Education	K.S.A. 72-6428	326,254
Supplemental General	At Risk (K-12)	K.S.A. 72-6433	120,000
Supplemental General	Food Service	K.S.A. 72-6433	19,000
Supplemental General	Professional Development	K.S.A. 72-6433	10,000
Supplemental General	Special Education	K.S.A. 72-6433	86,500
Supplemental General	Vocational Education	K.S.A. 72-6433	39,000

**NOTE 8: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

**UNIFIED SCHOOL DISTRICT NO. 492  
ROSALIA, KANSAS**

**NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2012**

**NOTE 9: FEDERAL GRANT CONTINGENCY**

In the normal course of operations, the District receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

**NOTE 10: OTHER POST EMPLOYMENT BENEFITS**

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

**NOTE 11: COMPENSATED ABSENCES**

*Classified Staff:* A maximum of ten days of sick leave may be granted each year with a total accumulation of 60 days allowed for full time employees and 30 days for part time employees and bus drivers. The maximum number of sick leave days available for use shall be 60 for full time employees and 30 days for part time employees. There is no payment for unused sick leave when an employee ceases employment with the district.

*Certified Staff:* Professionally licensed employees will receive twelve days of personal leave time (PLT) at the beginning of each school year. PLT may be accumulated from year to year to a maximum of 80 days and the accumulated days will be referred to as sick days. Teachers who have accumulated sick leave time over 80 days will be reimbursed at a rate of \$45 for each

**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**NOTES TO THE FINANCIAL STATEMENT**

**FOR THE YEAR ENDED JUNE 30, 2012**

excess day on their June paycheck. The district will grant each educator, at retirement and to the beneficiaries of the educator upon his/her death \$35 per day for unused accumulated leave. The district did not have any educators eligible for this benefit as of June 30, 2012.

**NOTE 12: OPERATING LEASE**

The District has an operating lease with the South Central Kansas Education Service Center for copy machines supplied to District facilities. The agreement requires monthly lease payments of \$907 and has varying months remaining depending upon when each machine was received. The agreement has a minimum copy usage requirement of 80,000 for all machines at .0208 cost per black and white copy. The agreement or current machines provided may be changed by agreement of both parties with 30-day notice. The lease may be paid off at any time without penalty by the District. During the fiscal year ended June 30, 2012, lease and usage payments of \$25,081 were paid.

**NOTE 13: PRIOR PERIOD ADJUSTMENTS**

Following the requirements of a technical amendment to the 2011 Kansas Municipal Audit Guide, which governs the format and accounting for this financial statement, beginning unencumbered balances have been restated from (\$175,471) to \$2 in the General Fund and from \$22,333 to \$42,673 in the Supplemental General Fund. The technical amendment is following the statutory state aid revenue recognition as required by K.S.A. 72-6417(d) and K.S.A. 72-6434(d). The state aid payment that is received subsequent to the end of the fiscal year is recorded as an in-substance receipt in transit and included as a receipt for the fiscal year that matches the budget to which it applies. The balances have been adjusted for this change in policy.

During the fiscal year ended June 30, 2012, the District identified a certain prior year cash disbursement that had been recorded to the expendable trust funds that was for a certificate of deposit purchase. This was corrected during fiscal year 2012, resulting in the following adjustments to unencumbered cash balances as of July 1, 2011: Expendable Trust Funds increased \$6,095.

**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**NOTES TO THE FINANCIAL STATEMENT**

**FOR THE YEAR ENDED JUNE 30, 2012**

**NOTE 14: SUBSEQUENT EVENTS**

The effects on the financial statement of subsequent events have been evaluated by management through December 6, 2012, which is the date the financial statement was available to be issued.

**NOTE 15: RELATED PARTY TRANSACTIONS**

During the fiscal year ended June 30, 2012, the District employed two immediate family members of one of the District's board members. The positions held by these family members were Board Clerk and Virtual Program Facilitator.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Education  
Unified School District No. 492  
Rosalia, Kansas 67132

We have audited the accompanying financial statement of Unified School District No. 492, Rosalia, Kansas, as of and for the year ended June 30, 2012, and have issued our report thereon dated December 6, 2012. The report on Unified School District No. 492's financial statement was adverse in accordance with accounting principles generally accepted in the United States of America because the District prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Kansas Municipal Audit Guide*; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Unified School District No. 492 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Unified School District No. 492's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Unified School District No. 492's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 492's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal

control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, as described below, that we consider to be significant deficiencies in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**Condition:** Financial personnel in the District have the skill and knowledge to process all the basic financial transactions and the ability to issue the internal financial statements needed to provide appropriate budget and operating information for management use and the District governing body. However based on auditing standard SAS 112, it is our professional judgment that the external financial statements and notes could not be prepared by the District staff using the prescribed *Kansas Municipal Audit Guide (KMAG)* format for Kansas statutory basis financial statements.

**Criteria:** The District prepares its financial statements in accordance with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, in accordance with the reporting and formatting requirements displayed in the *Kansas Municipal Audit Guide (KMAG)*. The excerpt below has been taken directly from the auditing standards we are required to follow as your auditor:

- Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters Identified in an Audit*, indicates that where employees or management lack the qualifications and training to fulfill their assigned functions (e.g. the treasurer or county clerk is unable to apply GAAP or other comprehensive basis of accounting in recording the entity's financial transactions, preparing its external financial statements or note disclosures required in the applicable presentation, unable to apply all the facets of the *Kansas Municipal Audit Guide* and the requirements associated with this SAS in order to provide financial statements to the external users that are not materially misstated); Since the auditor cannot be considered a part of the internal control mechanism over the issuance of the external financial statements of the entity, this creates a significant risk that needs to be addressed internally. If this internal control risk does not have an appropriate mitigating control in place, this control deficiency will be considered either a significant deficiency or a material weakness. This SAS is applicable to all entities, regardless of their size or structure.

**Cause:** The appropriate personnel in the District should have an understanding of how the financial statements are assembled and assist the firm with any possible missing or incomplete information. It would be advantageous to the District to obtain the appropriate training and expertise to better understand the preparation and issuance of their external financial statements. However, for the size of your entity, it may be cost prohibitive to secure either the necessary training and expertise or the additional staff to gain the knowledge and expertise necessary to assemble the District's external financial statements.

**Effect:** Our firm has been engaged to prepare the financial statements and notes for the District; however, our firm cannot be considered part of the internal control structure of the District in regard to the preparation of the financial statements. Since, the internal staff responsible for the internal

controls over the external financial reporting process does not possess the expertise to apply mandated accounting practices following the KMAC format for Kansas statutory basis financial statements, we have considered this to be a significant deficiency under the standards established by the American Institute of Certified Public Accountants.

**Recommendation:** The external financial statements are a requirement of K.S.A. 75-1122, which mandates an all-funds audit under the *Kansas Municipal Audit Guide*. A designated individual should have an understanding of how the financial statements are assembled and assist the audit firm with any possible missing or incomplete information. It would be beneficial to the District to obtain the appropriate training and expertise in this area. However, for the size of your entity, it may be cost prohibitive to acquire these proficiencies necessary to assemble the District's external financial statements.

**District Response:** District management feels that it would be cost prohibitive to secure the training and expertise to prepare the external financial statements. They have the skills and ability to prepare internal financial statements to meet the needs of the Board and management, but will study the audited financial statements to increase their understanding of KMAC financial statements and notes.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 492's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Unified School District No. 492's response to the findings identified in our audit is described above. We did not audit Unified School District No. 492's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Unified School District No. 492 Board of Education and management, others within the organization, the Kansas Division of Accounts and Reports and is not intended to be and should not be used by anyone other than these specified parties.

*Bird & Company, Chartered*

El Dorado, Kansas  
December 6, 2012

**UNIFIED SCHOOL DISTRICT NO. 492  
ROSALIA, KANSAS**

Supplementary Information

For The Year Ended June 30, 2012



**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET**

**FOR THE YEAR ENDED JUNE 30, 2012**

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over (Under)</u>
<b>Governmental Type Funds:</b>						
General Funds:						
General	2,271,024	-	22,338	2,293,362	2,293,362	-
Supplemental general	753,244	-	16,677	769,921	769,921	-
Special Revenue Funds:						
At risk (K-12)	169,524	-	-	169,524	134,735	(34,789)
Capital outlay	510,000	-	-	510,000	85,990	(424,010)
Driver training	3,895	-	-	3,895	3,299	(596)
Food service	172,955	-	-	172,955	151,061	(21,894)
Professional development	22,000	-	-	22,000	9,128	(12,872)
Summer school	-	-	-	-	-	-
Special education	468,049	-	-	468,049	412,770	(55,279)
Vocational education	63,645	-	-	63,645	38,993	(24,652)
KPERS special retirement	178,910	-	-	178,910	158,934	(19,976)
Debt Service Funds:						
Bond and interest	309,628	-	-	309,628	306,920	(2,708)

## UNIFIED SCHOOL DISTRICT NO. 492

## ROSALIA, KANSAS

## GENERAL FUND

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

FOR THE YEAR ENDED JUNE 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
Cash Receipts:				
Ad valorem tax	\$ 265,919	\$ 276,797	\$ 259,238	\$ 17,559
Delinquent tax	5,183	6,316	4,106	2,210
Mineral tax	362	490	-	490
State aid - Special Education Services	325,317	316,254	316,548	(294)
State aid	1,689,918	1,670,083	1,691,132	(21,049)
Federal funds - ARRA	42,081	-	-	-
Federal funds - ED Jobs	73,683	1,083	-	1,083
Other local revenue	21,358	22,338	-	22,338
Total Cash Receipts	2,423,821	2,293,361	\$ 2,271,024	\$ 22,337
Expenditures:				
Instruction	1,106,463	1,261,334	1,249,195	12,139
Instruction - ARRA	42,081	-	-	-
Instruction - ED Jobs	73,683	1,083	-	1,083
Student support services	2,093	1,816	7,150	(5,334)
General administration	172,519	169,388	169,870	(482)
School administration	132,932	139,822	135,318	4,504
Operations & maintenance	201,161	215,340	204,247	11,093
Student transportation serv	38,748	35,784	35,247	537
Vehicle operating services	96,363	93,194	107,727	(14,533)
Vehicle services & maintenance services	68,038	37,347	45,722	(8,375)
Transfer to:				-
Capital outlay	150,498	-	-	-
At Risk (K-12)	-	12,000	-	12,000
Special education	306,391	326,254	316,548	9,706
Contingency reserve	35,500	-	-	-
Adjustment to Comply with Legal Max	-	-	-	-
Legal General Fund Budget	2,426,470	2,293,362	2,271,024	22,338

**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**GENERAL FUND (Continued)**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**FOR THE YEAR ENDED JUNE 30, 2012**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
Adjustment for Qualifying Budget Credits	-	-	22,338	(22,338)
Total Expenditures	2,426,470	2,293,362	\$ 2,293,362	\$ -
Cash Receipts Over (Under) Expenditures	(2,649)	(1)		
Unencumbered Cash, Beginning as Previously Stated	(172,822)	(175,471)		
Prior Period Adjustment	-	175,473		
Unencumbered Cash, Beginning as Restated	-	2		
Prior Year Canceled Encumbrances	-	3		
Unencumbered Cash, Ending	\$ (175,471)	\$ 4		

**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**SUPPLEMENTAL GENERAL FUND**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**FOR THE YEAR ENDED JUNE 30, 2012**

**(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

		2012		Variance -
	2011	Actual	Budget	Over
	Actual			(Under)
Cash Receipts:				
Ad valorem tax	\$ 352,917	\$ 424,989	\$ 401,181	\$ 23,808
Delinquent tax	7,704	7,720	5,463	2,257
Vehicle tax	44,718	40,390	37,862	2,528
Recreational vehicle tax	-	-	861	(861)
State aid	381,608	286,851	276,523	10,328
Federal funds	929	-	-	-
Other local revenue	7,412	16,677	-	16,677
Total Cash Receipts	795,288	776,627	\$ 721,890	\$ 54,737
Expenditures:				
Instruction	139,895	154,325	71,000	83,325
Student support services	71,643	92,571	110,300	(17,729)
Instructional support staff	11,774	12,006	67,944	(55,938)
General administration	1,915	9,557	4,000	5,557
Operations & maintenance	109,236	215,776	90,000	125,776
Vehicle operating services	90,566	11,186	-	11,186
Transfer to:				
At Risk (K-12)	150,000	120,000	150,000	(30,000)
Food service	40,000	19,000	45,000	(26,000)
Professional development	10,000	10,000	20,000	(10,000)
Special education	123,926	86,500	130,000	(43,500)
Vocational education	50,000	39,000	65,000	(26,000)
Adjustment to Comply with Legal Max	-	-	-	-
Legal General Fund Budget	798,955	769,921	753,244	16,677
Adjustment for Qualifying Budget Credits	-	-	16,677	(16,677)
Total Expenditures	798,955	769,921	\$ 769,921	\$ -
Cash Receipts Over (Under) Expenditures	(3,667)	6,706		

**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**SUPPLEMENTAL GENERAL FUND (Continued)**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**FOR THE YEAR ENDED JUNE 30, 2012**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
Unencumbered Cash, Beginning as Previously Stated	26,000	22,333		
Prior Period Adjustment	-	20,340		
Unencumbered Cash, Beginning as Restated	-	42,673		
Prior Year Canceled Encumbrances	-	2,810		
Unencumbered Cash, Ending	\$ 22,333	\$ 52,189		

**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**AT RISK FUND (K-12)**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**FOR THE YEAR ENDED JUNE 30, 2012**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

		2012		Variance -
	2011	Actual	Budget	Over
	Actual			(Under)
Cash Receipts:				
Transfer from General	\$ -	\$ 12,000	\$ -	\$ 12,000
Transfer from Supplemental general	150,000	120,000	150,000	(30,000)
Transfer from Summer school	4,876	-	-	-
Total Cash Receipts	154,876	132,000	\$ 150,000	\$ (18,000)
Expenditures:				
Instruction	134,943	130,435	169,524	(39,089)
Instructional support staff	6,654	4,300	-	4,300
Total Expenditures	141,597	134,735	\$ 169,524	\$ (34,789)
Cash Receipts Over (Under) Expenditures	13,279	(2,735)		
Unencumbered Cash, Beginning	44,345	57,624		
Prior Year Canceled Encumbrances	-	125		
Unencumbered Cash, Ending	\$ 57,624	\$ 55,014		

**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**CAPITAL OUTLAY FUND**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**FOR THE YEAR ENDED JUNE 30, 2012**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

		2012		Variance -
	2011	Actual	Budget	Over
	Actual			(Under)
<b>Cash Receipts:</b>				
Ad valorem tax	\$ 58,315	\$ 60,447	\$ 57,426	\$ 3,021
Delinquent tax	1,326	1,585	905	680
Vehicle tax	6,958	6,560	5,883	677
Recreational vehicle tax	-	-	134	(134)
Interest on idle funds	2,960	346	-	346
Local revenue	13,000	16,083	-	16,083
Transfer from General fund	150,498	-	-	-
<b>Total Cash Receipts</b>	<b>233,057</b>	<b>85,021</b>	<b>\$ 64,348</b>	<b>\$ 20,673</b>
<b>Expenditures:</b>				
Instruction	-	-	60,000	(60,000)
Student support services	-	-	40,000	(40,000)
Operations & maintenance	250	70,990	40,000	30,990
Transportation	30,007	15,000	100,000	(85,000)
Building improvements	-	-	200,000	(200,000)
Other	-	-	70,000	(70,000)
<b>Total Expenditures</b>	<b>30,257</b>	<b>85,990</b>	<b>\$ 510,000</b>	<b>\$ (424,010)</b>
<b>Cash Receipts Over (Under) Expenditures</b>	<b>202,800</b>	<b>(969)</b>		
<b>Unencumbered Cash, Beginning</b>	<b>525,746</b>	<b>728,546</b>		
<b>Unencumbered Cash, Ending</b>	<b>\$ 728,546</b>	<b>\$ 727,577</b>		

**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**DRIVER TRAINING FUND**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**FOR THE YEAR ENDED JUNE 30, 2012**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

		2012		
	2011 Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts:				
State aid	\$ 888	\$ 1,316	\$ 1,036	\$ 280
Other local revenue	2,450	1,750	2,600	(850)
Total Cash Receipts	3,338	3,066	\$ 3,636	\$ (570)
Expenditures:				
Instruction	2,582	3,299	3,895	(596)
Total Expenditures	2,582	3,299	\$ 3,895	\$ (596)
Cash Receipts Over (Under) Expenditures	756	(233)		
Unencumbered Cash, Beginning	4,116	4,872		
Unencumbered Cash, Ending	\$ 4,872	\$ 4,639		



**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**FOOD SERVICE FUND**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**FOR THE YEAR ENDED JUNE 30, 2012**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

		2012		Variance -
	2011			Over
	Actual	Actual	Budget	(Under)
Cash Receipts:				
Student sales (lunch & breakfast)	\$ 48,370	\$ 57,499	\$ 47,218	\$ 10,281
Adult & student sales (nonreimbursable)	6,788	1,151	8,974	(7,823)
Miscellaneous	9,443	3,107	15,000	(11,893)
State aid	1,373	1,478	1,129	349
Federal funds	57,962	68,639	56,454	12,185
Federal funds - team nutrition	-	780	-	780
Interest on idle funds	-	255	-	255
Transfer from Supplemental general	40,000	19,000	45,000	(26,000)
Total Cash Receipts	163,936	151,909	\$ 173,775	\$ (21,866)
Expenditures:				
Food service operation	159,105	151,061	172,955	(21,894)
Total Expenditures	159,105	151,061	\$ 172,955	\$ (21,894)
Cash Receipts Over (Under) Expenditures	4,831	848		
Unencumbered Cash, Beginning	44,951	49,782		
Unencumbered Cash, Ending	\$ 49,782	\$ 50,630		

**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**PROFESSIONAL DEVELOPMENT FUND**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**FOR THE YEAR ENDED JUNE 30, 2012**

**(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

		2012		Variance -
	2011			Over
	Actual	Actual	Budget	(Under)
Cash Receipts:				
Transfer from Supplemental general	\$ 10,000	\$ 10,000	\$ 20,000	\$ (10,000)
Total Cash Receipts	10,000	10,000	\$ 20,000	\$ (10,000)
Expenditures:				
Instruction	3,795	2,302	-	2,302
Instructional support staff	2,574	6,826	22,000	(15,174)
Total Expenditures	6,369	9,128	\$ 22,000	\$ (12,872)
Cash Receipts Over (Under) Expenditures	3,631	872		
Unencumbered Cash, Beginning	33,560	37,191		
Unencumbered Cash, Ending	\$ 37,191	\$ 38,063		

**UNIFIED SCHOOL DISTRICT NO. 492  
ROSALIA, KANSAS**

**SUMMER SCHOOL FUND  
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**FOR THE YEAR ENDED JUNE 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

		2012		Variance -
	2011 Actual	Actual	Budget	Over (Under)
Cash Receipts:				
	\$ -	\$ -	\$ -	\$ -
Total Cash Receipts	-	-	\$ -	\$ -
Expenditures:				
Transfer to At Risk	4,876	-	-	-
Total Expenditures	4,876	-	\$ -	\$ -
Cash Receipts Over (Under) Expenditures	(4,876)	-		
Unencumbered Cash, Beginning	4,876	-		
Unencumbered Cash, Ending	\$ -	\$ -		

**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**SPECIAL EDUCATION FUND**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**FOR THE YEAR ENDED JUNE 30, 2012**

**(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

		2012		Variance -
	2011	Actual	Budget	Over
	Actual			(Under)
Cash Receipts:				
Transfer from General	\$ 306,391	\$ 326,254	\$ 316,548	\$ 9,706
Transfer from Supplemental general	123,926	86,500	130,000	(43,500)
Other local revenue	15,807	-	-	-
Total Cash Receipts	446,124	412,754	\$ 446,548	\$ (33,794)
Expenditures:				
Instruction	388,513	387,525	429,338	(41,813)
Student transportation serv	14,040	8,127	15,211	(7,084)
Vehicle operating services	22,837	17,118	23,500	(6,382)
Total Expenditures	425,390	412,770	\$ 468,049	\$ (55,279)
Cash Receipts Over (Under) Expenditures	20,734	(16)		
Unencumbered Cash, Beginning	48,104	68,838		
Unencumbered Cash, Ending	\$ 68,838	\$ 68,822		

**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**VOCATIONAL EDUCATION FUND**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**FOR THE YEAR ENDED JUNE 30, 2012**

**(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

		2012		Variance -
	2011	Actual	Budget	Over
	Actual			(Under)
Cash Receipts:				
Transfer from Supplemental general	\$ 50,000	\$ 39,000	\$ 65,000	\$ (26,000)
Total Cash Receipts	50,000	39,000	\$ 65,000	\$ (26,000)
Expenditures:				
Instruction	39,275	38,993	58,645	(19,652)
Student support services	-	-	5,000	(5,000)
Total Expenditures	39,275	38,993	\$ 63,645	\$ (24,652)
Cash Receipts Over (Under) Expenditures	10,725	7		
Unencumbered Cash, Beginning	30,059	40,784		
Unencumbered Cash, Ending	\$ 40,784	\$ 40,791		

**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**KPERS SPECIAL RETIREMENT CONTRIBUTION FUND**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**FOR THE YEAR ENDED JUNE 30, 2012**

**(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

	2011 Actual	2012		Variance - Over (Under)
		Actual	Budget	
Cash Receipts:				
State aid	\$ 98,302	\$ 158,934	\$ 178,910	\$ (19,976)
Total Cash Receipts	<u>98,302</u>	<u>158,934</u>	<u>\$ 178,910</u>	<u>\$ (19,976)</u>
Expenditures:				
Instruction	72,645	113,374	132,629	(19,255)
Student support	236	2,869	-	2,869
Instructional support	634	716	536	180
General administration	12,028	17,435	16,330	1,105
School administration	6,891	11,780	7,748	4,032
Operations & maintenance	800	2,174	3,338	(1,164)
Student transportation services	2,710	6,557	11,210	(4,653)
Food service	2,358	4,029	7,119	(3,090)
Total Expenditures	<u>98,302</u>	<u>158,934</u>	<u>\$ 178,910</u>	<u>\$ (19,976)</u>
Cash Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**BOND AND INTEREST FUND**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET**

**FOR THE YEAR ENDED JUNE 30, 2012**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

		2012		Variance -
	2011	Actual	Budget	Over
	Actual			(Under)
Cash Receipts:				
Ad valorem tax	\$ 172,675	\$ 168,231	\$ 159,700	\$ 8,531
Delinquent tax	3,978	4,885	2,663	2,222
Vehicle tax	22,216	22,112	18,462	3,650
Recreational vehicle tax	-	-	421	(421)
Other local revenue	5	-	-	-
State aid	95,343	79,311	80,496	(1,185)
Total Cash Receipts	294,217	274,539	\$ 261,742	\$ 12,797
Expenditures:				
Interest	103,708	96,920	109,600	(12,680)
Principal	200,000	210,000	200,000	10,000
Commission & postage	26	-	28	(28)
Total Expenditures	303,734	306,920	\$ 309,628	\$ (2,708)
Cash Receipts Over (Under) Expenditures	(9,517)	(32,381)		
Unencumbered Cash, Beginning	530,264	520,747		
Unencumbered Cash, Ending	\$ 520,747	\$ 488,366		

**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**CONTINGENCY RESERVE FUND**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2012**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

	2011 Actual	2012 Actual
Cash Receipts:		
Transfer from General	\$ 35,500	\$ -
Total Cash Receipts	<u>35,500</u>	<u>-</u>
Expenditures:		
Total Expenditures	<u>-</u>	<u>-</u>
Cash Receipts Over (Under) Expenditures	35,500	-
Unencumbered Cash, Beginning	<u>204,915</u>	<u>240,415</u>
Unencumbered Cash, Ending	<u><u>\$ 240,415</u></u>	<u><u>\$ 240,415</u></u>



**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**GRANTS AND DONATIONS FUND**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2012**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

	2011 Actual	2012 Actual
Cash Receipts:		
Grants and donations	\$ 32	\$ 231
Total Cash Receipts	32	231
Expenditures:		
Instruction	381	175
Instructional support staff	979	-
Total Expenditures	1,360	175
Cash Receipts Over (Under) Expenditures	(1,328)	56
Unencumbered Cash, Beginning	8,884	7,556
Unencumbered Cash, Ending	\$ 7,556	\$ 7,612

**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**TEXTBOOK & STUDENT MATERIAL REVOLVING FUND**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2012**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

	2011 Actual	2012 Actual
Cash Receipts:		
Rental fees	\$ 8,518	\$ 9,378
Fees	3,511	6,475
Total Cash Receipts	<u>12,029</u>	<u>15,853</u>
Expenditures:		
Instruction	<u>7,077</u>	<u>5,881</u>
Total Expenditures	<u>7,077</u>	<u>5,881</u>
Cash Receipts Over (Under) Expenditures	4,952	9,972
Unencumbered Cash, Beginning	11,999	16,951
Prior Year Canceled Encumbrances	<u>-</u>	<u>894</u>
Unencumbered Cash, Ending	<u>\$ 16,951</u>	<u>\$ 27,817</u>

**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**FEDERAL TITLE PROGRAMS FUND**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2012**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

	2011 Actual	2012 Actual
Cash Receipts:		
Federal funds - Title II: Improving teacher quality	\$ 9,377	\$ -
Federal funds - Title II: Tech. Lit.	124	8,058
Federal funds - Title I: Low Income	36,756	25,200
Federal funds - Character Ed	2,500	-
	<hr/>	<hr/>
Total Cash Receipts	48,757	33,258
	<hr/>	<hr/>
Expenditures:		
Instruction	48,757	33,258
	<hr/>	<hr/>
Total Expenditures	48,757	33,258
	<hr/>	<hr/>
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<hr/> -	<hr/> -
Unencumbered Cash, Ending	<hr/> \$ -	<hr/> \$ -

**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**EXPENDABLE TRUST FUNDS**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2012**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

	2011 Actual	2012 Actual
Cash Receipts:		
Interest	\$ 12	\$ 89
Total Cash Receipts	12	89
Expenditures:		
Scholarships/Awards	6,810	800
Total Expenditures	6,810	800
Cash Receipts Over (Under) Expenditures	(6,798)	(711)
Unencumbered Cash, Beginning as Previously Stated	14,645	7,847
Prior Period Adjustment	-	6,095
Unencumbered Cash, Beginning as Restated	-	13,942
Unencumbered Cash, Ending	\$ 7,847	\$ 13,231

**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**TITLE VI, PART B SUBPART 1, RURAL EDUCATION ACHIEVEMENT PROGRAM (REAP) FUND**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2012**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

	2011 Actual	2012 Actual
Cash Receipts:		
Federal funds	\$ 15,292	\$ 27,840
Total Cash Receipts	15,292	27,840
Expenditures:		
Support Services	15,292	27,840
Total Expenditures	15,292	27,840
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**AGENCY FUNDS**  
**SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2012**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
<b>STUDENT ORGANIZATION FUNDS</b>				
<b>FLINTHILLS HIGH SCHOOL</b>				
Baseball	\$ -	\$ 2,579	\$ 2,255	\$ 324
Cheerleaders	1,752	1,362	1,654	1,460
Choir/band	-	450	450	-
Flinthills high school - uniforms	339	805	541	603
Flinthills middle school student activities	3,267	-	-	3,267
Flinthills middle school cheerleaders	101	-	-	101
Football	395	-	-	395
Freshman class	547	4,268	3,222	1,593
Junior class	1,276	4,321	5,459	138
Letter club	2,383	-	216	2,167
National Honor Society	418	-	136	282
Outdoor classroom	3	-	-	3
Physics	-	1,458	1,453	5
Senior class	-	18,867	18,867	-
Sophomore class	2,094	3,098	3,806	1,386
Students Against Drunk Driving	631	-	-	631
STUCO	2,276	5,309	4,962	2,623
Wrestling	29	-	-	29
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>	\$ 15,511	\$ 42,517	\$ 43,021	\$ 15,007
	<hr/>	<hr/>	<hr/>	<hr/>

**UNIFIED SCHOOL DISTRICT NO. 492**  
**ROSALIA, KANSAS**

**DISTRICT ACTIVITY FUNDS**  
**SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH**

**FOR THE YEAR ENDED JUNE 30, 2012**

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts:							
Athletics -							
Flinthills High School	\$ 29	\$ -	\$ 15,703	\$ 15,703	\$ 29	\$ -	\$ 29
Flinthills Middle School	-	-	3,698	3,698	-	-	-
Subtotal gate receipts	<u>29</u>	<u>-</u>	<u>19,401</u>	<u>19,401</u>	<u>29</u>	<u>-</u>	<u>29</u>
School Projects:							
Flinthills High School	5,978	-	10,437	10,932	5,483	-	5,483
Subtotal school projects	<u>5,978</u>	<u>-</u>	<u>10,437</u>	<u>10,932</u>	<u>5,483</u>	<u>-</u>	<u>5,483</u>
Total District Activity Funds	<u>\$ 6,007</u>	<u>\$ -</u>	<u>\$ 29,838</u>	<u>\$ 30,333</u>	<u>\$ 5,512</u>	<u>\$ -</u>	<u>\$ 5,512</u>